



*Quality is Our Bottom Line*

FTIR

**Insurance Committee Public Hearing  
Tuesday, February 26, 2013**

**Testimony in Opposition to**

**SB 958 AAC Electronic Funds Transfer Payments By Pharmacy Benefits Managers to Pharmacies.**

**SB 955 AAC Pharmacy Audits.**

The Connecticut Association of Health Plans respectfully opposes both SB 958 and SB 955.

Prescription drug prices are one of the fastest growing components of health care costs today. The Health Insurance Association of America predicts that spending on prescription drugs will increase annually an average of 10 to 13%. The reasons for such staggering increases are varied: faster FDA approval of new drugs, an increasingly aging population, aggressive marketing practices by the pharmaceutical industry and the cost of new high tech sophisticated drugs all play a role.

Understandably, employers who generally pay the bulk of health insurance premiums have looked to their health insurers and pharmacy benefit managers (PBMs) for tools to help manage the escalating costs. Just as the State of Connecticut undertakes audits to assure that Medicaid and other taxpayer dollars are being expended appropriately and within the rules applicable, employers through their PBMs should be afforded the same ability. Health care costs continue to escalate, but bills like SB 955 erode the ability of health plans and PBMs to control these costs.

With respect to SB 958, we respectfully submit that matters of this nature should be dealt with among and between the contracted parties as opposed to requiring in statute "the electronic transfer of funds."

Thank you for your consideration.